UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO EASTERN DIVISION

VICTORIA'S SECRET STORES BRAND

MANAGEMENT, INC.,

Four Limited Parkway

Reynoldsburg, OH 43068

Plaintiff, : Civil Action No. 2:12-cv-00693

v. : Judge

Defendant.

URBAN DECAY COSMETICS, LLC,

833 West 16th Street

Newport Beach, CA 92663

COMPLAINT FOR DECLARATORY JUDGMENT

VICTORIA'S SECRET STORES BRAND MANAGEMENT, INC. ("Plaintiff" or "VS") by and through its attorneys, brings this action for declaratory judgment and alleges against URBAN DECAY COSMETICS, LLC ("Defendant") as follows:

NATURE OF THE ACTION

1. VS seeks declaratory relief from this Court to prevent Defendant's attempt to monopolize use of the term "Naked" in connection with cosmetic products, including makeup. Defendant has claimed that VS' use of the "THE NAKEDS" for such an eye shadow palette consisting of neutral or natural shades infringes Defendant's trademark and trade dress rights. Accordingly, VS brings this action to clarify the rights of the parties, by seeking a declaratory judgment that the use of "THE NAKEDS," "THE NAKEDS BY VICTORIA'S SECRET" and related terms does not infringe Defendant's rights.

THE PARTIES

- Plaintiff is a Delaware corporation with offices at Four Limited Parkway,
 Reynoldsburg, Ohio 43068, and is qualified to do business and is doing business in the State of
 Ohio and in this judicial district.
- 3. Upon information and belief, Defendant is a Delaware limited liability company having its principal place of business in Newport Beach, California, and is transacting business in the State of Ohio and in this judicial district.

JURISDICTION AND VENUE

- 4. The Court has jurisdiction over this declaratory judgment action pursuant to the Federal Declaratory Judgments Act, 28 U.S.C. §§ 2201(a) and 2202, as well as under 28 U.S.C. §§ 1331 and 1338(a) and the Lanham Act, 15 U.S.C. § 1121.
- 5. The Court has personal jurisdiction over Defendant because, upon information and belief, Defendant transacts and solicits business in the State of Ohio within this judicial district, engages in continuous and systematic conduct in Ohio, and has caused a consequence in this State by threatening litigation against VS.
 - 6. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b) and (c).

FACTS

7. On July 18, 2012, Defendant's counsel sent a letter to VS, demanding, among other things, that VS "immediately cease all production, marketing, promotion, sale and distribution of the NAKEDS palette," and deliver to Defendant "for destruction" all remaining inventory of products and promotional material. The letter concluded with the following threat: "If we do not hear from you by July 27, 2012...we will advise Urban Decay to pursue its other legal options to protect and enforce its valuable intellectual property rights."

- 8. VS denies Defendant's allegations, creating an actual, substantial and justiciable controversy between VS and Defendant concerning VS' right to continue using "THE NAKEDS," "THE NAKEDS BY VICTORIA'S SECRET" and related terms in connection with VS' products. VS has a real and reasonable apprehension of litigation based on Defendant's statements and conduct.
- 9. VS owns and operates more than 1,000 VICTORIA'S SECRET retail stores nationwide. VS sells a wide range of apparel and lingerie, as well as personal care and beauty products, including cosmetics and makeup, exclusively through its own distinct channels of trade—the VS retail stores, the famous Victoria's Secret Catalog, and the VS website, www.victoriassecret.com. VS' products are sold using the famous VICTORIA'S SECRET trademark, as well as numerous sub-brands and marks, including those at issue herein.
- 10. Since at least as early as March 30, 2010, VS has used the trademark, "THE NAKEDS BY VICTORIA'S SECRET," and is the owner of U.S. Federal Trademark Registration No. 3,877,068 for the mark in connection with bras and panties.
- 11. Since at least as early as June, 2012 VS has used the related mark, "THE NAKEDS," in connection with cosmetics, specifically makeup.
- 12. Upon information and belief, Defendant sells makeup products using the terms "NAKED" and "NAKED2," upon which it has based its threats against VS.
- 13. Upon information and belief, third parties also use variations of the term "Naked" in connection with a variety of products, including makeup.
- 14. The term "Naked," standing alone, has descriptive qualities when used in reference to personal care products and cosmetics, including makeup.

- 15. Upon information and belief, Defendant does not own any trademark registration for the term "Naked," standing alone.
- 16. VS is not aware of any actual confusion as to the source or affiliation of the parties' products.
- 17. Upon information and belief, Defendant is not aware of any actual confusion as to the source or affiliation of the parties' products.
- 18. There is no likelihood of confusion as to the source or affiliation of the parties' products.

COUNT I

DECLARATORY JUDGMENT FOR NON-INFRINGEMENT OF TRADEMARK

- 19. VS repeats the allegations contained in paragraphs 1 through 18 of this complaint, as if fully set forth herein.
- 20. VS seeks a declaratory judgment that its use of "THE NAKEDS," "THE NAKEDS BY VICTORIA'S SECRET" and related marks in connection with the manufacture, marketing and sale of VS personal care products, including makeup, is not likely to cause confusion as between the source or affiliation of the parties' respective products, under the Lanham Act, or Ohio law.
- 21. As set forth, an actual justiciable controversy has arisen between Plaintiff and Defendant regarding VS's ability to use "THE NAKEDS," THE NAKEDS BY VICTORIA'S SECRET" and related marks.
- 22. VS desires a judicial determination of non-infringement for the use of trade dress alleged by Defendant to infringe on Defendant's intellectual property rights.

- 23. A declaratory judgment would settle this controversy between VS and Defendant as to whether VS's use of "THE NAKEDS," "THE NAKEDS BY VICTORIA'S SECRET" and related marks infringes Defendant's trademarks.
- 24. Pursuant to 28 U.S.C. § 2201(a), VS is entitled to a judgment declaring that its use of "THE NAKEDS," "THE NAKEDS BY VICTORIA'S SECRET" and related marks does not infringe Defendant's trademarks.

COUNT II

DECLARATORY JUDGMENT – NO UNFAIR COMPETITION 15 U.S.C. § 1125(a) and Ohio Law

- 25. VS repeats the allegations contained in paragraphs 1 through 18 of this complaint, as if fully set forth herein.
- 26. VS seeks a declaratory judgment that its use of "THE NAKEDS," "THE NAKEDS BY VICTORIA'S SECRET" and related marks in connection with the manufacture, marketing and sale of VS personal care products, including makeup, is not likely to cause confusion as between the source or affiliation of the parties' respective products, and does not unfairly compete with Defendant, under the Lanham Act, or Ohio law.

COUNT III

DECLARATORY JUDGMENT FOR DETERMINATION OF NO FALSE DESIGNATION OF ORIGIN 15 U.S.C. § 1125(a)

- 27. VS repeats the allegations contained in paragraphs 1 through 18 of this complaint, as if fully set forth herein.
- 28. VS seeks a declaratory judgment that its use of "THE NAKEDS," "THE NAKEDS BY VICTORIA'S SECRET" and related marks in connection with the manufacture, marketing and sale of VS personal care products, including makeup, is not likely to cause

confusion as between the source or affiliation of the parties' respective products, and does not constitute a false designation of origin, under the Lanham Act.

COUNT IV

DECLARATORY JUDGMENT FOR NON-INFRINGEMENT OF TRADE DRESS

- 29. VS repeats the allegations contained in paragraphs 1 through 18 of this complaint, as if fully set forth herein.
- 30. VS seeks a declaratory judgment that its use of "THE NAKEDS," "THE NAKEDS BY VICTORIA'S SECRET" and related marks in connection with the manufacture, marketing and sale of VS personal care products, including makeup, is not likely to cause confusion as between the source or affiliation of the parties' respective products, and does not infringe any trade dress rights of Defendant, under the Lanham Act, or Ohio law.

PRAYER FOR RELIEF

WHEREFORE, VS prays for a declaratory judgment that:

- A. VS' past, present and continued use of "THE NAKEDS," "THE NAKEDS BY VICTORIA'S SECRET" and related marks in connection with the manufacture, marketing and sale of VS personal care products, including makeup, do not infringe the rights of, or unfairly compete with, Defendant, or falsely designate the origin of VS's products, or otherwise constitute a violation of any of Defendant's rights, including any purported trade dress rights;
- B. Defendant, its officers, agents, servants, employees and attorneys, and those persons in active concert or participation or otherwise in privity with it, be permanently enjoined and restrained from instituting, prosecuting or threatening any action against VS, or any of its affiliates, or anyone in privity with them with respect to VS's use of "THE NAKEDS," "THE NAKEDS BY VICTORIA'S SECRET" and related marks;

- C. Defendant has no trademark rights in the term "Naked," standing alone, in connection with personal care products or cosmetics, including makeup;
- D. VS have and recover from Defendant reasonable attorneys' fees, costs and disbursements of this civil action, pursuant to Section 35 of the Lanham Act, 15 U.S.C. § 1117; and
- E. VS have such other and further relief as the Court may deem just and proper.

Respectfully submitted by:

/s/ Gerald P. Ferguson

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Dated: Columbus, Ohio July 31, 2012